1: Longrigg G-4, 5 (ca. 1915-1940) MH1 Iraq MH1

European dress was
291 ever more generally adopted in the larger towns, and spread significantly to urbanized tribesmen. Among upper-class women, though the veil was still almost universal among Muslims, Western
556 clothing was worn increasingly. The desire for material progress was reflected in the eagerness of the rich to acquire motor-cars, gramophones, and the toys and amenities of Europe; but inability to pay for these gave rise to demands for limitless credit.

• 466 Interest at the International Labour Office in conditions among 'Iraq's industrial workers led to some answering efforts to produce suitable legislation; but the smallness of this class in an unindustrialized country made European criteria and standards largely inapplicable. The first seeds were sown, however, of a social interest in labour matters.

744 To the whole community and to urban society in particular with its still prevalent poverty and low purchasing power the Government's Health and Education services contributed valuably. The former improved its quarantine and pilgrim services, multiplied its countryside dispensaries, improved its specialist institutes, and dealt well with the cholera epidemics of 1927 and 1931. It was significant that out-patient attendances, less than 750,000 in 1921, had more than doubled by 1926 and quadrupled by 1930. In response to foreign purchasers' outcry, the Health Department imposed measures of cleanliness in the date industry. In 1927 it founded the Royal Medical College; this, a medical school of good standards, took at once a high place in 'Iraq's higher and professional education. A School of Pharmacy had existed since 1922. The Government adhered during these years to a number of international conventions on medical as on many other matters.

871 The 'Iraqi schools seemed to foreign observers at this period—and indeed at others—to lack something of the best spirit of education. There was criticism of lax discipline, uncritical self-flattery, a worship of modernity and materialism; politics pervaded too many of the schools, always in the form of a crude xenophobia eager for street demonstrations. Nevertheless, an educational system grew and multiplied its facilities, fought for budget allotments, developed an Inspectorate, codified its Regulations. A Hygiene Directorate was formed in the Education Ministry, later
[562] greatly to develop. The year 1930 saw the first Government secondary schools for girls; the days of Muslim hesitation over female education were almost over. For boys the secondary period was prolonged from four to five years, three 'intermediate' and two 'senior'. The dispatch of students for higher education abroad grew commoner. Technical education remained unpopular: it did not lead quickly enough to the goal chiefly envisaged, a Govern-

1: Longrigg G-4,5 (ca.1915-1940) MH1 Iraq MH1

The Health Department, criticized for an unprecedented malaria epidemic in Baghdad in 1936, seemed to call for reform and for a broader activity which should include the rural and backward areas as well as the towns. The period was one of many municipal improvements and considerable building and town-planning. Electric power and light, widened streets, a modern water-supply, improved conservancy, municipal gardens—these were now features of all but the humblest *baladiyas*. It was, indeed, the policy of Yasin Pasha to encourage the devolution of the local services into municipal hands, and funds were provided accordingly; later Prime Ministers followed his example. The passage into law of a Labour Code in 1936 reflected pressure on Government to insist, at least ostensibly, on something of modern standards in the treatment of industrial workers; but the Code had for the moment little practical effect. A law of 1935 prohibiting non-'Iraqis from practising certain trades seemed to threaten domiciled Indians, and was suitably amended and scarcely enforced. The 1936 law abolishing, under severe penalties, the use of Turkish titles—Pasha, Bey, and Effendi—in favour of the simple Arabic 'Sayid'—Master, or Mr.—was widely ignored among the general public and by Europeans, as indeed by Ministers themselves and by others in authority.

The application of the National Service Law, passed in 1934, devolved upon the Hashimi Ministry and could not but be imperfect. Wide tribal areas were in practice exempt; the accessible and the weak were exploited. Armed resistance, as has been seen, was not infrequent, desertion was common, and the payment of a low exemption fee to escape service was habitual. The machinery of recruitment was inefficient, census lists inaccurate, and the resulting military forces habitually below their authorized strength. Nevertheless, the 'Iraq Army, with its British Military Mission constantly in support, improved its training and equipment and its housing facilities, and was highly favoured by King Ghazi. Increasing from some 11,500 men in 1933 to double that number by the end of 1936, it was now organized in two divisions and, territorially, into four districts. Its armament and capacity were sufficient for internal purposes, its corps of officers good in the lower, indifferent or poor in the higher ranks. Unused on any operations in 1934—a unique event—the Army was busy with tribal suppression in the two years following, and was shortly to emerge as the arbiter of 'Iraq's political destinies. The Royal 'Iraq Air Force grew from a few machines to three formed squadrons.

The small surviving force of 'Iraq Levies, some 1,500 strong, was now specialized to aerodrome-guard duties under R.A.F. Command, and the Assyrian monopoly therein had been broken

1: Longrigg G-4, 5 (ca. 1915-1940) MH1 Iraq MH1

composed of overworked officials, could accomplish little. The Amending Law passed in 1942 to the Labour Code of 1936 began to bear fruit; it provided for improved conditions for women workers, the prohibition of child labour, paid holidays, compensation for injuries, and arbitration of labour disputes. Under the Pachachi Ministry a beginning was made with the establishment of Labour Exchanges—the more necessary as the release of workers from British military employment was already creating unemployment. A number of hopeful trade unions were organized, including those of weavers, shoe-makers, oil workers, cigarette makers, and a half-dozen less important; all were directed by organizers whom underground Communism made every effort to seduce. Committees were set up to produce standard scales of wages and conditions. The growing self-consciousness of urban workers, whose greatest concentrations were in the oil companies, railways, and Port, was shown by a 'Rights of Workmen' movement which demanded a newspaper devoted to its interests, an insurance system, and wage-arbitration boards. A railway-workers' strike in April 1945 ended only with heavy-handed suppression of strike and union alike; examples were thenceforward to be frequent of the organization of strikes among workers for political purposes with little regard to their actual grievances.

An important step, long in contemplation yet not without its dangers, was the passage of major amendments to the Liwā Administration Law; the effect was to confer greater powers on local officials and Provincial Councils, and thus to facilitate local development and improved services. A revision of the Civil Code was at the same time decided, and a delegation from Baghdad spent most of 1945 in Cairo in consultation with Egyptian jurists.

Concurrently with the departure, at the end of the war, of a number of the few surviving British officials, steps were taken to recruit from Great Britain or Egypt the new experts—technical, medical, or educational—for whom the period now opening would call. An effort, of no great forcefulness, was made to eradicate corruption from the body of officialdom. Army reform in 1945 showed good results with the forced retirement of some scores of inefficient but well-befriended officers; rearmament proceeded in aircraft, vehicles, and artillery from British stocks, though not without misunderstandings and reproaches; and a marked rise in standards of training, quartering, equipment, and service conditions was observed. The Army, well supported by the Regent, began in fact again to approach a condition in which active operations could be attempted. In the Police, which appeared to have lapsed somewhat but not tragically from their old high standards, the strength of the force was increased from 10,500 in 1939 to

1: Longrigg G-4, 5 (ca. 1915-1940) MH1 Iraq MH1

of nearly 7 million tons of through-put annually and a corresponding loss of royalty revenue. On the northern line to Tripoli, the construction of the 16-inch line was completed in mid-1949; export from Tripoli was thereby trebled and raised 'Iraqi export production to nearly 7 million tons a year. Less than a year later the Company undertook the building of a much greater pipeline, of 30-inch diameter. Designed to run from Kirkuk to the sea coast at Banyas in Syria (an alignment parallel to that of the 12- and 16-inch lines except at its western extremity) it would deliver 'Iraqi oil to the world's markets at a rate of some 14 million tons a year at its lowest rate of through-put, or much more with increased pumping installations.[1]

These extensions of the pipeline system were accompanied by important increases to the pumping plant and facilities at seven pumping stations on both sides of the point of bifurcation near Ḥaditha, and in the Kirkuk field itself. The development of the latter was carried out in its northern extension in Arbil liwā, beyond the Lesser Zab, by an active drilling campaign and the manifold operations which accompany it. With drilling went the provision of gathering lines, tankage, additional de-gassing stations, new units in the Stabilization Plant, new administrative and domestic buildings, workshops, stores, depots, laboratories, electric-power plant, and water lines. 'Iraqis were fortunate in their certainty that, in the development of the great wealth in their soil, the most modern and economic methods were being adopted without waste of or danger to its resources. The needs of the labour force were met by the initiation of a modern housing estate for 'Iraqi employees, canteens, sports grounds, transport to and from work, allowances and pay-revisions to meet the high cost of living, a savings fund, hospital extensions, and technical education both in 'Iraq and in the United Kingdom. In spite of the psychological, the material, and the (artificially fostered) 'political' difficulties inseparable from the presence of an advanced industrial enclave in a primitive economy of peasants, the living and working conditions of the oil workers were, while less than perfect, undoubtedly the best in contemporary 'Iraqi industry: and they were undeserving of the blatantly mendacious attacks, common in Baghdad newspapers, on the horrors of oil company employment and the brutality of the foreign exploiter. The industry brought also substantial indirect benefits to the public in local purchases and contracts, the increase of purchasing power, the provision of foreign exchange, the teaching of industrial skill, and the performance of valuable and costly services to Kirkuk municipality. It could in

[1] The 30-inch line, constructed at great speed, came into initial operation in the late spring of 1952.

1: Longrigg G-4, 5 (ca. 1915-1940) MH1 Iraq MH1

power station at Baghdad was the property of a British company, that of Basra belonged to the Port, while Kirkuk was supplied with current by its all-providing oil company.

The revised labour legislation of 1942, the activity of the Ministry of Social Affairs, interest in International Labour Office literature and standards, and the employment since 1949 of a British expert on labour questions were guarantees that, though part of the Code was not applied, progress was real towards an effective interest in urban labour conditions and safeguards; it extended to trade union organization, the establishment of Labour Exchanges, housing schemes and welfare, and plans for social security whose realization was delayed only by their high cost. Meanwhile limited welfare facilities—dispensaries, canteens, clubs, sports grounds—were offered voluntarily by a few employers such as the Port, the Railways, and the more considerable industrial companies. They were provided on a much larger scale, and as part of a comprehensive organization, by the oil companies.

In domestic living standards, if it was true that the modernization and Westernization of the urban middle and lower-middle classes still left 'the poor' little better provided in their own homes than fifty years earlier, yet the proportion of households able to rise above their old deficiencies had much increased, and the private life of the middle as of the upper classes showed that in their domestic equipment and housing, hygiene, clothes, and range of interests great changes had been somehow effected in the last two generations. In men's and women's clothing, in the appearance and conduct of households, the serving of meals, and more generally in family and social life, Western ways had gained much ground. Resistance to the emancipation of women was now narrowing; the Muslim veil was frequently discarded; women learned and taught, entered the professions of medicine and law, followed politics (including Communism), took part in social work, and through their Women's Society were heard to demand the franchise. Circles, however, where women were strictly secluded were still considerable, and included the households of many leading notables and the royal family itself.

Social life was diversified by increased visiting between families, by the cinematograph, by cabarets of both Oriental and Western type, by casinos and modernized cafés. The traditional coffee shop kept its place for the male members of all classes and, within the social grade for which each catered, was still the club and business centre of thousands. Club life had developed to include the exclusive social clubs of the rich, the middle-class professional clubs of the lawyers, Army officers, and officials of various branches of Government, and a dozen sporting clubs; but the

433 materials and spare parts is due to many factors. First is past
471 experience of the difficulty of obtaining such materials, due either to Iraq's distance from international markets, or to the shortages of world supply, or to the arbitrary attitude of suppliers abroad. Secondly, the fear of interruption of supplies owing to international emergencies and restrictions in the countries of origin. Thirdly, the influence of directors or big share-holders who own agencies for such materials or spare parts.

433 (b) There is great scope in Iraqi industry for improvement in the layout of machinery, flow of material, lighting, noise abatement, and temperature control.

466 (c) The problems of labour recruitment and organisation, systems of wage payment, housing and workers' welfare in general, fall outside the scope of this paper. It is sufficient to say that present labour legislation provides for weekly and annual holidays, for compensations in cases of injury or total loss of life, and prohibits the employment of children under twelve years. Industry is subject to inspection by officials of the Ministry of Social Affairs for the purpose of enforcing the labour laws. The formation of trade unions is permitted under the law, but so far labour organisations have played very small part in industry.

433 (8) State Assistance and Control: The main characteristics of in-
654 dustry in Iraq should by now be clear. It is of a recent development. It has developed largely under state protection and assistance. It has to operate within a very small market. The fact that industry is still in its infancy makes it hard to predict its future course. The part which government assistance has so far played in its development is of special importance and calls for examination. State assistance has taken various forms; tariff protection, exemptions from various taxes and duties, and financial aid through the Industrial Bank. Except possibly in the last case, government assistance to industry has not been based on any criteria of efficiency, or economic or social objectives. Any firm can obtain the benefits of state encouragement as long as it fulfills two conditions only; that it will use raw materials available in Iraq, or that it will produce goods imported in large quantities. It is necessary, if industry is not to grow lax behind the high walls of protection, to set up standards of efficiency, and to relax protective measures such as the prohibition of competitive imports, as soon as experience is acquired and production costs are stabilized. Benefits under

6:Ireland S-5 (no date)1937 MHl Iraq MHl

eases are still rampant and infant mortality is distressingly high.

In agriculture the wave of optimism of the early 1920's has ebbed away. The Agricultural School at Rustam has been curtailed in funds, in purpose and in function. Improved machinery and agricultural methods foreshadowed during the British Occupation have not been introduced generally and are still regarded with disfavour in many quarters. Cotton, once believed to be the crop in which 'Iraq would rival the Sudan and India has been rendered unprofitable by boll-weevil, by hot winds, by the reluctance of the *fallahīn* to cultivate a strange crop which does not provide a living for themselves as it grows, and by the drastic fall in world prices. Wheat and barley remain of low quality, the foreign market being practically lost. Improvement in packing and marketing dates, 'Iraq's principal crop, has been apparent but effective co-operation among the growers is still lacking. Cheering features, however, have been the negotiations whereby Japan may take 'Iraqī wool and the signature of an agreement between 'Iraq and Palestine, December 14th, 1936, granting 'Iraq a free zone at Haifa and numerous commercial concessions.[1] The favourable trade balance of £217,000 for 1934-35, recently announced by the Ministry of Finance, is also encouraging.[2]

Large-scale industries are, for the present, practically non-existent although a number of projects, such as cement making, have been under consideration for some time. The Department of Labour Affairs, necessitated by 'Iraq's entrance into the League of Nations has had few important matters to come into its hands, although a law protecting 'Iraqī labour against foreign competition has been recently passed.[3]

These brief summaries of tendencies apparent in the political, economic and social life of 'Iraq seem to indicate, on the basis of absolute standards, the development of 'Iraq along unsatisfactory lines. It is only fair, however, in judging a government

[1] *G.B. and E.*, March 11th, 1937. [2] *Al-'Iraq*, September 7th, 1936.
[3] *G.B. and E.*, December 26th, 1935.

7: International Bank N, S-4 (1951) 1952 MH1 Iraq MH1

The Mission has carefully considered what industries might be expanded and what new industries might be established. It has sought to confine its recommendations for industrial development to those industries where there is reasonable prospect of efficient production, competitive with imports, and where production is within the technical capacity available in Iraq, supplemented, where necessary, by outside technical and managerial assistance.

Petroleum and Refining

No recommendations need be made on the oil industry. The oil resources of Iraq are immense, the reserves of the Kirkuk field amounting reputedly to 1,000 million tons and those of the less well explored fields near Basra offering perhaps equal promise. The development of these resources by the oil companies is proceeding along sound lines. The oil companies have also been well in advance of other enterprises in providing housing, health services, and other amenities for their employees, in instituting labor training schemes and providing better pay for workers. The Mission realizes that there has been some criticism in Iraq of the rate of development, particularly in the Basra field. The expenditure of close to £90,000,000 by the oil companies on oil development in Iraq is now, however, beginning to yield a rapidly rising output. Production in recent years might have been much greater if the outbreak of the war with Israel had not resulted in closing the pipeline to Haifa and in preventing the completion of another pipeline to that city. The existing line has a capacity of 2,000,000 tons and the projected line would have added another 4,000,000 tons. As already indicated, the government has recently obtained a commitment by the oil companies to increase output, which was a little less than 6,000,000 tons in 1950, to 30,000,000 tons per year by the end of 1955. It would not be advantageous to Iraq, however, to have production increased to such levels that the ensuing rise in oil revenues cannot in fact be effectively spent. Oil in the ground is a reserve for the future, and too rapid tapping of this reserve may entail a partial waste of resources.

The government has decided to build a modern oil refinery near Baghdad which it anticipates will cost about £7,000,000. This refinery will use crude oil supplied from the Kirkuk fields at cost. With an annual capacity of 1,000,000 tons, it will be able to supply

7: International Bank N, S-4 (1951) 1952 MH1 Iraq MH1

temporary, moderate protection of certain industries, it wishes to emphasize strongly the need for a rapid and progressive reduction in special assistance.

Government Organisation for Industry

Government activities relating to industry, except for the Industrial Bank, are now handled by a Department of Industry in the Ministry of Economics. This Department under its present director concentrates primarily on research and laboratory work and is not equipped to analyze and record the commercial and economic operations of industry. The Mission recommends that a Department of Industries be established to maintain adequate statistical records on industrial production, analyze economic problems relating to industry such as marketing, and administer the laws concerning assistance to industry. The research and technical functions now being carried on would then be continued under a separate Department of Industrial Research and Standards.

These two departments should gradually be equipped to give increasing assistance to industry in improving its output and reducing its cost of production. This type of assistance should be stressed more and more in the future as compared to special measures of protection and assistance which tend to shield industry against competition. Much can be done in the long run to assist industry in better controlling the quality of its products, reducing waste through material salvage, analyzing production costs, making market surveys and increasing labor efficiency through improved lighting, noise abatement, in-plant training programs and better work flow.

Labor and Vocational Education

Finally, it should not be overlooked that a contented, well-trained labor force is of the utmost importance to industrial development. An improvement in working conditions and more attention to the welfare of the worker would tend to increase labor productivity. Such an improvement can to a large extent be brought about only through a growing realization among employers that it is to their own interest. The government should, of course, lay down minimum standards in this respect, particularly since the absence of real trade unions precludes workers from achieving

7: International Bank N, S-4 (1951) 1952 MH1 Iraq MH1

466 467 greater benefits through collective bargaining. At present, labor laws set up certain requirements with respect to hours of work, periods of rest, vacations, employment of minors and compensation for disability. The Labor Department, however, is inadequately staffed to enforce the law and the many reported violations are generally allowed to go uncorrected. In 1949-50, of 1,228 enterprises inspected, only 136 were found to comply with the law. Of the remainder, 974 were simply warned and 118 cases were referred to courts. It would be desirable to enforce existing legislation before enacting other labor laws. Efforts are apparently being made to survey the possibility of introducing a social insurance system into Iraq. Under existing conditions, however, any social insurance law might tend to remain a dead letter.

874 464 [212] Training of labor is impeded by the prevailing illiteracy which makes instruction in writing largely impossible. Elementary schooling and adult education are therefore essential to the improvement of labor efficiency. There is in existence a secondary technical school which attempts to train intermediate school graduates in industry. The curriculum of the school, however, lays too little emphasis on practical training; and the graduates of the school show a disinclination to work with their hands. It would be far better to rely on apprenticeship systems for the basic practical training, and to use the school primarily for supplementary instruction of a somewhat broader character which might be needed by the more highly skilled workers and foremen. Those who are trained in the shop or on the site through such apprenticeship systems can then be recruited from the ranks of the laboring class which is accustomed to manual work. Large private companies and public enterprises like the Iraq Petroleum Company, the railways and the Basra port administration all possess large machine shops where varied training can be imparted to many more than at present. It is suggested, therefore, that the government enlist their cooperation in the training of skilled workers for Iraq's requirements generally.

Commercial and business education is also important. Government, banking and commercial firms, and industrial concerns are all handicapped by a shortage of competent typists, stenographers, clerks, bookkeepers and accountants which has been aggravated by

7: International Bank N, S-4 (1951) 1952 MH1 Iraq MH1

433 expanded will, however, require financial assistance from the Industrial Bank. This should be arranged just as soon as plans can be formulated.

Petroleum Development

382 315 [471] The further development of the oil industry can safely be left to the internationally-owned companies now operating in Iraq. Under an agreement finalized early in October 1951, subject to ratification by Parliament, the three major oil companies—the Iraq Petroleum Company, the Mosul Petroleum Company and the Basra Petroleum Company—undertook to increase their oil output to 30,000,000 tons per year by the end of 1955 and to turn over to the Iraq Government 50 percent of the profit on their production before the deduction of taxes. Although output in 1950 amounted to only about 6,000,000 tons, there should be no difficulty about attaining the agreed target. The oil resources of Iraq are immense, the reserves of the Kirkuk field amounting reputedly to 1,000 million tons, with the new fields near Basra offering equal promise. In the development of these fields and means of transport, the oil companies have already made an investment of close to ID 90,000,000, which is now beginning to yield a rapidly rising output. Development in the Kirkuk and Mosul field has already proceeded on the assumption that a production capacity of at least 22,000,000 tons would be achieved in a few years, and with the completion of the pipeline to Banias, Syria, there should also be ample transport capacity. The balance of the projected output, namely 8,000,000 tons, will have to come from the newer fields near Basra. This may require some increase in drilling and will necessitate additional pipeline capacity to Fao, but neither of these will be difficult to accomplish.

382 466 The oil companies have been among the leaders in Iraq in providing better conditions and amenities for their employees and in instituting schemes for training skilled labor and technicians. They have been criticized, however, for their failure to appoint more Iraqis to leading positions. Under the agreement already cited they have undertaken to send 50 Iraqi students per year to British Universities to study various subjects relating to the oil industry, and also to establish a school in Kirkuk to train 60 Iraqis yearly in technical oil subjects.

7: International Bank N, S-4 (1951) 1952 MH1 Iraq MH1

fit. After hire, improved working conditions and the provision of simple health services and adequate sanitary facilities would help to maintain his efficiency.

Living conditions outside the plant must also be maintained in a manner which gives the worker some degree of contentment and satisfaction. This might require new housing, better food, improved sanitary conditions or other changes, depending on the locality and type of industry. Most of these will, of course, involve further capital investment. The increase in worker efficiency when such measures are properly planned and implemented should, however, fully justify their cost.

Improvement in the workers' welfare ought to be a matter of concern both to the employers and the government. Inside the plant it is the primary responsibility of the employer; outside, that of the government. In neither sphere, however, is the jurisdiction or interest exclusive. For example, while a considerable improvement in working conditions in the plant can be brought about only if the employer realizes it is to his own interest, the government can and should intervene to maintain certain minimum standards. Legislation,[1A] with respect to working hours, holidays, sick leaves, disability compensation, child labor and the like, is already on the statute books, but the law has been poorly enforced. The staff of the Labor Department in the Ministry for Social Affairs needs to be strengthened to enable it to do an effective job. At the same time a special effort should be made to educate employers to the role of better working conditions in raising labor productivity.

1A [IN IRAQ -- ANALYST.]

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7: International Bank N. S-4 (1951) 1952 MH1 Iraq MH1

have a mosque, a church, a post office, a cinema, a restaurant, a police station and an institute equipped with reading rooms and a debating chamber. Streets and alleys are laid out to conform to the ground contours and paved with asphalt macadam. The streets are lighted and have recently been planted with trees. The project is much in advance of anything else that has so far been undertaken in Iraq, but its cost and the large element of subsidy involved make it impossible of general emulation.

The Iraq Petroleum Company is the only large private industrial concern which has provided substantial housing facilities for its employees, although in 1943 a law was approved compelling industrial project owners to construct houses for their laborers. This law has apparently been ineffective. Although there is much to be said for placing responsibility on industry for housing in out-of-the-way places, the Mission is of the opinion that, in general, provision of housing is an inappropriate burden on industry.

Private Housing; Mortgage Credit

The most spectacular ventures in private housing in recent years were two grandiose developments in Baghdad for the well-to-do. Both of there were financial failures.

Private housing of a more modest character for the middle classes, who cannot afford large outlays, requires assistance in the form of mortgage credit. In the main report, the Mission has recommended that the facilities offered by the Government Mortgage Bank be augmented. Instead of the original capital of ID 100,000, capital resources of ID 1,500,000 are suggested. The duration of loans, which is now limited to four years, should be increased to 15 years where it is considered desirable.

V. Public Utilities

As indicated earlier, considerable progress has been made in providing the larger towns with water and electricity, but sewage systems have been wholly neglected. The Ministry of Interior is, with a few major exceptions, responsible for the planning, installation and general supervision of these public utilities. The actual

3:Royal Institute of International Affairs U-4 (no date)1954 M1 Middle East
Iraq MH

433 Iraq each capable of manufacturing 10,000 tons of sugar per annum from sugar beet to be grown locally, a bitumen plant, and a small steel plant. In addition the Government is investigating the recommendation of the International Bank mission[1] for the erection of a chemical plant at Kirkuk to produce ammonium sulphate fertilizer, cement, sulphur, and carbon black. The mission has also recommended plants for manufacturing bone-meal fertilizer, date-packing crates and motor-car tyres, and for batching concrete, converting steel scrap into building components, and possibly for remelting glass.

Labour

466 647 657 Conditions of work and employment are regulated by a Labour Law (1936–46), which so far relates only to 'workmen' (a term requiring more precise definition) in industrial undertakings. It is in process of revision and extension. Its application is supervised by the Department of Labour and Social Security, which maintains a small corps of inspectors. This department, advised by foreign experts, proposes to experiment with employment exchanges, is starting to compile labour statistics, is undertaking a programme of housing for labour, and is examining plans of social security, for which the existing Labour Law already contains some provision in the form of indemnities on discharge, paid sick and confinement leave, and compensation for injuries. Safety and sanitary working conditions are covered generally by the Labour Law and made obligatory in greater detail by a Workshops and Factories Regulation (1937). In January 1953 it was stated that new provisions, for eventual inclusion in the new Labour Law, had been drafted for establishing wage boards, regulating disputes, and determining the rights, obligations, and administration of trade unions, which are not clearly defined in the existing Labour Law. The latter grants industrial workers the right to establish associations to safeguard their special interests, strengthen the spirit of co-operation, effect educational, cultural, hygienic, social, and moral improvements, and develop Iraqi industry. A few trade unions exist; their membership is small and activity slight. Others have been suspended for subversive activity. The movement is still rudimentary.

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Communications

496 *Railways.*[2] The railways constructed by the British forces during the Mesopotamian Campaign eventually formed the

[1] See above, p. 275.

[2] This section is based on the *Directory of Railway Officials and Year Book*, 1952-3.

5: Harrison D-4 (1912-1924) 1924 M1 [redacted]
Iraq MH1

[Marsh Arabs]

It is customary to abuse the Turkish Government as responsible for these conditions. That government has much to answer for, but it is doubtful whether even the efficient and benevolent rule of the British will improve the lot of the date gardener a great deal so long as the present system remains unchanged. The trouble is that the owner has no contact with his gardener except through his agent, and is coerced by no intelligent and effective public sentiment. Whether in Turkish or British territory, he lives under a government built on the theory that contracts made in good faith must be executed at all costs and that knows no redress for the gardener except that he seek employment elsewhere, a thing that is very difficult to do. The adjustments possible in the oases of Arabia, where it is the function of the sheikh to modify oppressive contracts and where it is understood that an unfavorable reputation will speedily endanger the life of the land-owner, are out of the question in Mesopotamia.

In addition to the date gardeners who cultivate the irrigated land along the last hundred miles of the Arab River from Gurna to the Gulf, there are also a number of so-called Marsh Arabs along the rivers in Lower Mesopotamia, who raise rice, wheat and barley on land that is overflowed in the spring when water is high. Rice is their favorite crop and the one that is most reliable. In that country the visitor is surprised at being served with loaves of bread of the usual flat pancake-shape but snowy white instead of the light brown color of the whole wheat flour which is universal over all Arabia. I asked my host with much surprise whether he imported his flour from Bombay and he laughed. He hardly knew where

44:Matthews and Akrawi S,G-3 (1945-1946)1949 Mi Middle East
IRAQ MHI

*875 465 fixes the types of government posts existing in each Ministry, with the minimum and maximum pay for each type. Primary-school teachers begin with 6 to 12 dinars ($24 to $48) per month according to their qualifications, and may reach a maximum of 25 dinars ($100). Teachers on the secondary cadre, including teachers of primary- and rural-teachers colleges and of vocational schools, begin at 15 to 30 dinars ($60 to $120) per month, the latter sum being the initial salary of teachers holding doctorates of British, American, French, or Egyptian universities, but not of central European universities. The maximum for a secondary-school teacher is 40 dinars ($160), with the exception of principals and holders of the doctorate, who may reach 50 dinars ($200). Instructors at higher institutions start at 18 dinars ($72), which is the initial salary for a new appointee holding the B.A. degree or its equivalent; if they achieve full professorial rank, they may reach a maximum salary of 70 dinars ($280). This is the maximum salary paid ordinarily to a Director General and is the highest salary paid to a civil servant. A few posts exist at 80 dinars ($320) for directors general of a "distinguished grade"—mainly former ministers or directors general of long standing and service. The policy of including the full professors among the most highly paid civil servants was adopted in the amendments to the Cadre Law of 1942 to encourage some of the ablest men in the country to turn to scientific work. This policy has extended to a degree into secondary education to lessen the pay differential between secondary-school teachers and holders of official administrative posts in government offices. Provincial-education directors and inspectors may reach a maximum of 40 dinars ($160), and specialized inspectors, a maximum of 50 dinars ($200).

*875 ●466 It will be seen that the civil service and the state cadre laws have on the whole made liberal provision for making teaching an attractive career for young men and young women. It is understood that amendments to the Civil Service Law are pending which will make educational service even more attractive, particularly in encouraging study abroad.

The Civil Pensions Law of 1940 provides that a civil servant of thirty years' service receives a retirement allowance equal to one-half of his average salary over the last seven years of his employment. A shorter or longer period of service pays proportionately. In case of death, the pension is paid to the wife and minor children in accordance with the inheritance law.

The Discipline of State Officials Law of 1936 provides for disciplinary boards in each Ministry to try officials, including teachers, for offenses com-

44:Matthews and Akrawi S, G-S (1945-1946)1949 Mi Middle East
IRAQ MHI

mitted in office. A Higher Disciplinary Board handles appeals and disputes regarding the rights of officials.

The Educational Ladder

The educational ladder in Iraq is based on a primary school, which children enter at the age of six and attend for six years, a secondary school of five years, and a number of colleges of three to six years; there are also numerous professional and vocational schools. (See Chart IV.) The secondary school is of two levels: an intermediate school of three years' duration is an approximation of the American junior-high school; a two-year preparatory school is a shorter version of the American senior-high school. Thus, Iraqi primary and secondary schools operate on the 6-3-2 plan as compared with the American 8-4 or 6-3-3 year plans. Below the primary-school level, a few kindergartens are maintained by the Ministry of Education or by some private agencies.

Public primary schools

The public primary school is free to all children who have reached the age of six years and offers a uniform curriculum extending over six grades. It is the common school which most Iraqi children, whatever their class, religion, or race, attend, and it is the medium through which the educational authorities of Iraq hope to develop a sense of citizenship and national unity. Attendance is compulsory wherever adequate facilities exist. Article 36 of the Public Education Law prohibits Iraqi children from attending foreign primary schools; and as native private schools follow rather closely the curriculum of the government schools, it is safe to conclude that all Iraqi children of primary school age who attend school at all receive a standard type of primary education.

The primary-school course ends in a special public primary examination, set by the Ministry for all the schools of Iraq. No pupil can be promoted to a postprimary school, whether public, private, or foreign, without first passing the public primary examination or presenting a certificate showing that he has pursued similar studies abroad.

Postprimary education

Of 5,416 graduates of primary schools in 1942–43, 4,214 pupils, or 77.6 percent, continued their education the following year. The great majority of these, 3,921 pupils, entered the intermediate schools, while the remainder, 293, entered some vocational or professional school. The boys

imprisonment not exceeding two months or to both, fine and imprisonment. 312 466

The Directorate-General of Irrigation may undertake the clearance of irrigation canals by machinery, and the persons benefiting from such work shall refund the costs so incurred. (Last para. of Art. 14, added by Amending Law of 1945).

3) Offences and Penalties under the Irrigation and Embankments Law 312 681

Articles 15 to 18 deal with offences and penalties, in addition to those already mentioned.

Article 15 prescribes the death penalty for whomsoever wilfully and maliciously damages or alters any irrigation work thereby causing injury to life or to property and with penal servitude for life, or a term not exceeding 15 years, if it does not.

Article 16 lists a series of offences punishable by imprisonment not exceeding two months or a fine not exceeding 500 rupees of to both imprisonment and fine. Among the offences stipulated herein are:

Damage, alteration and obstruction to any irrigation work, interference with the supply of water; fouling of water; destruction, tampering with, or alteration of land, level marks or water gauges; damages caused to canal or flood embankments by grazing cattle; refusal or neglect to supply labor; neglect to prevent waste of water; obstruction to Government official from executing their duties; etc. Addition to or cancellation or alteration to the above list may be made by Regulation (Article 20).

Article 17 prescribes a fine not exceeding 30 rupees for persons failing to comply with a notice to execute repairs, within the time specified in such notice.

4) Miscellaneous Provisions

In any proceedings on offences mentioned in Articles 12 and 16 thereof, before a Magistrate, a report signed by an assistant engineer or by any senior official in the Irrigation Department may be accepted as evidence in court. The recovery of sums due 312 681 694

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ID. 1/500 for every mashara of land cultivated with rice without a permit or in excess of the permitted areas (Article 5). I 242 681

7. Forcible Assistance Law

In addition to the provision of Article 13 of the Irrigation and Embankments Law for emergency requisition of labor, the Ministry of Interior may under the Forcible Assistance Law No. 27 of 31 March 1923, as subsequently amended by Law No. 24 of 30 March 1936, in sudden and unforeseen circumstances such as water floods, fire, locusts, etc. authorise the mutasarrifs with the power of collecting and employing labor at rates to be prescribed by the Government. 466

Every laborer who contravenes the order shall be forcibly taken to the place of the work and shall afterwards be punished with imprisonment not exceeding one month or a fine not exceeding Rs. 100.

Persons having jurisdiction to collect laborers who refuse to supply the necessary number of labor or to give the necessary assistance shall upon conviction be liable to imprisonment not exceeding 6 months or to a fine not exceeding Rs. 1000 or to both imprisonment and fine.

JORDAN

J 671 312

Since the Hashimite Kingdom of Jordan gained its independence from the Ottoman Empire, the Mejelle Civil Code has remained in force there. Subsequently, another law supplementing water legislation, No. 38 dated 8 August 1946 (15 Muharram 1366) has been enacted. Jordan authorities are considering amending this latter law at the present time, but the draft is still under study by the interested departments. 1/ This law consists of five sections with 41 articles.

1/Schwang, L. D. Expanded Technical Assistance Program of the Food and Agriculture Organization of the United Nations, Rome, Italy. Private letter.

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this pension is reduced in proportion to the degree of incapacity in accordance with a prescribed schedule. Pensions based on the employee's last wages are payable in case of death to the widow (20 per cent.), children (15 to 40 per cent. for one to four or more children) and to parents if no children survive. A burial benefit of up to 20 days of wages is also provided.

Social Welfare Institute

In 745 647

An Imperial Social Welfare Institute was established by an Order of 22 March 1947 to promote the welfare of the poorer working classes of Iran. The Institute depends on voluntary contributions for its support. Among other activities, it has set up dispensaries in different parts of the country, surgical clinics, a nursing school and relief offices for needy mothers and children and tuberculous persons.

IRAQ

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There is no scheme of social insurance in Iraq, but its Labour Act (Act No. 72 of 25 April 1936, amended by Act No. 36 of 13 May 1942) fixes the liability of individual employers for payment of compensation in case of employment injury. Employers may insure this liability with a commercial insurer. The provisions apply to wage earners in industrial undertakings, including factories, mines, construction and transport. Foreign workers and their dependants are guaranteed the same treatment in respect of compensation as that received by Iraqi workers, provided such foreign workers are nationals of countries adhering to the Equality of Treatment (Accident Compensation) Convention, 1925, which Iraq ratified in 1940.

Compensation is payable not only for injury but also for a listed occupational poisoning or disease, Iraq having ratified the Workmen's Compensation (Occupational Diseases) Convention (Revised), 1934, in 1941. The compensation afforded by the employer consists of medical care and cash benefits for incapacity and death. In the event of temporary or permanent partial incapacity, up to 50 per cent. of wages is payable for a maximum of one year in the event of temporary incapacity and of two years in that of permanent incapacity. In the event of permanent total incapacity, a lump-sum grant equal to two years of wages is payable. The same lump-sum amount is payable in case of death, for distribution among surviving dependent relatives according to prescribed rules. The Minister of the Interior is responsible for enforcing the Act.

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Employers are also required to pay full wages to women employees who are absent from work by reason of confinement, for two weeks before and three weeks following the confinement.

ISRAEL

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The only laws at present in force in Israel which deal with contingencies directly related to social security consist of Ordinances concerning workmen's compensation and the employment of women. These Ordinances, which fix the liability of individual employers in the event of employment injury or maternity, were taken over from the Mandatory Government and confirmed by the Provisional State Council of the new Jewish State in 1948.

Workmen's Compensation

The workmen's compensation provisions which date from 1927 were extended and consolidated by the Ordinances of 16 August 1947 and 20 December 1948. They apply with only a few exceptions to all employees ordinarily resident in Israel, and make the employer liable to pay compensation in respect of injuries from employment-connected accidents and listed diseases. An employer may insure his liability with a commercial carrier or may carry the risk himself.

A totally disabled worker receives a weekly benefit normally equal to 75 per cent. of his past earnings, with a maximum of £I.8 weekly [1]; if his earnings are below £I.6.660 weekly, 100 per cent. of wages is payable up to £I.5. There is no waiting period and the compensation continues for the duration of disablement. Compensation for partial disability is equal to between 75 and 100 per cent. of earnings loss with a normal maximum of £I.8. Medical care, including surgery, hospitalisation, medicines and transport, must be provided by the employer up to a maximum value of £I.150 or £I.250, as well as necessary accessories or artificial limbs.

In case of death, adult dependants receive a lump sum equivalent to three years of the victim's past earnings, with a minimum of £I.750 and a maximum of £I.1,500. In addition, an allowance is payable in respect of each surviving dependent child under 16, equal to £I.2 multiplied by the number of months to elapse between the worker's death and the date when the child attains age 16. Part dependants receive

[1] The Israeli pound, which contains 1,000 prutoth, equals $2.80.

teurization plant near Baghdad and seeks to improve the standards of agriculture which should be reflected in better nutrition among the people. The Ministry of Communications and Works maintains health and medical facilities at the port of Basra, and furnishes medical care for railway personnel. 744

Several voluntary agencies carry on health work, usually in co-operation with the Ministry of Health. The Children's Welfare Society conducts an extensive program for the promotion of maternal and child health, and operates welfare centers in Baghdad and the administrative centers of the remaining provinces. The Red Crescent Society supports a child health center in Baghdad, and provides training for girls in first aid and home nursing through branches in Baghdad, Basra, Hilla, Amarah and Kirkuk. The Anti-Tuberculosis Society campaigns against tuberculosis, and contributed toward the erection of a sanatorium, opened in 1951, near Baghdad. The Catholic Nuns Society runs a small general hospital and dispensary, and the Society of Buyout el Umma an ophthalmic hospital and dispensaries in Baghdad. 746 751 743

The Board of Foreign Missions of the Reformed Church of America maintains a medical mission in the Amarah region. It operates a hospital and founded the leper colony, which has since been taken over by the government. The Seventh Day Adventists also have a hospital in Baghdad. The Iraq Petroleum Company and its subsidiaries, the Mosul Petroleum Company and the Basra Petroleum Company, provide medical and health services for the benefit of their employees. 797 743 [466]

Medical Institutions

Hospitals and Dispensaries. In 1950, there were 82 civilian hospitals in Iraq with an aggregate capacity of 4,901 beds, or slightly over 1 bed per 1,000 population. Of this number, 2,086 beds were located in Baghdad, 534 in Basra and 412 in Mosul provinces. Sixty-seven hospitals, with a 743

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combined capacity of 4,330 beds, were operated by the government health authorities; 4 hospitals with 153 beds by other governmental agencies; and 11 hospitals with 418 beds by industrial, mission or private organizations. Free medical care was provided in 4,475 beds, representing over 90 per cent of the hospital beds available in the country.

The Royal Hospital in Baghdad is foremost among the institutions under the jurisdiction of the Ministry of Health. It has medical, surgical, pediatric and infectious disease sections, with a total capacity of 650 to 750 beds. The remaining hospitals of the Ministry now come under the authority of the Director of Curative Medicine. According to the statistics for 1950, they included 42 general hospitals, with an aggregate capacity of about 2,300 beds, of which one or more in each province were Grade 1 hospitals under the supervision of medical officers. Maternity and child welfare divisions were incorporated in the general hospitals, which provided 962 beds for maternity cases and 134 beds for children. The special institutions consisted of 6 isolation hospitals with a total capacity of 596 beds, 3 ophthalmic hospitals with 79 beds, 2 venereal disease hospitals with 52 beds, 2 child welfare hospitals with 155 beds, 3 maternity and children's hospitals with 71 beds, a mental hospital of 120 beds, a leper hospital of 180 beds and 6 prison hospitals with 92 beds. A 400-bed tuberculosis sanatorium, which was sponsored in part by the Anti-Tuberculosis Society, was opened near Baghdad in 1951. Another 120-bed hospital in Basra was completed in 1952.

The American Mission hospital, with 38 beds, in Amarah and the new Seventh Day Adventist hospital, with 60 beds, in Baghdad are prominent among the private institutions. As of 1951, 3 hospitals with a combined capacity of 170 beds were operated by the Iraq Petroleum Company in the Kirkuk region. The medical facilities of the company in the oil field and the pipeline areas also included 20 detention camps, with

743 82 beds for emergency care, and field ambu
● 466 lance services. The Basra Petroleum Company maintained a 15-bed hospital at Basra, a 16-bed hospital at Fao and 12 emergency beds in 2 detention camps. The Mosul Petroleum Company had 10 beds for emergency cases in a camp near its exploration activities.

743 In addition to the regular hospital clinics, 433 dispensaries were scattered throughout the provinces in 1950. Of this number, 403 belonged to the government health services: 145 were staffed by physicians and the remainder by assistant medical personnel. There were also 11 mobile dispensaries, which covered the more remote villages and tribal areas, and 2 floating dispensaries on the river in Basra and Muntafiq provinces. Only 7 tuberculosis dispensaries existed in 1950, but 13 dispensaries, some with facilities for 20 beds, were under construction in the provincial capitals. The Ministry operated 5 ophthalmic dispensaries and 4 "institutes" for the treatment of venereal diseases. A diagnostic and research center was organized in Baghdad in 1950, in connection with the syphilis-bejel control project being conducted under the auspices of the World Health Organization.

743 The infant and child welfare centers
744 functioning in 1950 totaled 21, most of which were supported by the Children's Welfare Society. Ten centers were located in the Baghdad region. An expanded maternal and child health program is now being developed by the Ministry of Health. In 1952, it started a demonstration and training project at Samawa, with assistance from the Technical Co-operation Administration of the United States government. Another demonstration center for the training of local medical personnel in the principles of maternal and child health is scheduled to be opened in Baghdad in 1953-54, in conjunction with the World Health Organization and the United Nations International Children's Emergency Fund. The proposed program of the Ministry calls for the crea-

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the Anglo-Iranian Oil Company, was more interested in expanding production in Iran than in Iraq. The French, on their part, while agreeing with this argument, feared an additional curtailment of Iraqi production—their major supply—if the participating American companies were permitted to enter into other oil undertakings in the area. To the French, therefore, the Red Line Agreement was a guarantee, because of the limitations it placed on the American companies, of a steady, and even of an increased, supply of oil from Iraq.

The Iraqis were dissatisfied with the royalties they were receiving; nor were they satisfied with the number of their nationals in the higher positions of oil production operations. They complained of the lack of training facilities for Iraqis for the conduct of the industry. A constant source of irritation between the Government and the Company was the lack of refining facilities in the country. Another issue, of a technical nature, was the evaluation of gold shillings paid as royalties. Difficulties developed when the Company's second payment fell due in January 1932, after the British pound went off the gold standard. A temporary arrangement, without prejudice to either party, was made after Premier Nuri es Said Pasha went to London and discussed the issue with the Company; Iraq was paid £578,000 instead of the £409,000 provided by the agreement. Subsequently, it was agreed that payments be made in sterling at the current price of gold.[44] Later a serious difference arose as to the interpretation of the "current price of gold." The Company maintained that the gold shilling must be based on the official London rate of exchange of gold, while the Iraqis argued that it should be based on the free market value, which was, of course, considerably higher.

Against the Iraqis' contention that production was being methodically kept down by the Company, the latter argued that the relatively low rate of production of Iraq oil was due to transport difficulties; that the Company was investing huge sums for pipelines, but the process of building the pipelines was conditioned by the exigencies of war which limited the supply of steel. It pointed out that immediately after the war, in spite of a serious steel shortage, the parallel 16-inch pipeline to Haifa and Tripoli had been built, alongside the existing

[44] *Report 1932*, 38; *Survey of International Affairs 1934*, 192-193.

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all the crude oil necessary for local consumption at 5.5 shillings per ton.

8. If, in future agreements between oil companies and neighboring Near Eastern countries, royalties were increased, Iraq to have the right to request similar increases.

9. Each of the three companies to appoint two Iraqi directors.

10. The companies to send at their own expense fifty Iraqi students annually to British universities for specialized studies in the oil industry, and I.P.C. to establish a school in Kirkuk to train Iraqi workers.

11. Should production be halted because of *force majeure* or "an act of God," the companies to pay the Government a minimum of £5 million a year for two years.[45]

With the signing of the new agreement, Iraq entered a new era. The complete shutdown of the Iranian oil sources, combined with the terms of the new agreement, increased production beyond normal proportions and made the oil revenue a decisive factor in the development of Iraq. Oil production in 1952 jumped to 18,066,797 tons, in 1953 to 27,220,199 tons, and in 1954, to 29,550,000 tons, considerably above the estimates of the agreement. Royalty income in 1951 was £13,700,000, and in 1952 £33,000,000, plus the £5,000,000 paid in settlement of past claims; in 1953 it jumped to £51,400,000, and to £68,390,000 in 1954.[46]

The expansion in production was in all three areas. The Kirkuk field (I.P.C.) produced 15,522,715 tons in 1952, and 22,865,538 tons in 1953 and 23,719,672 tons in 1954. The Zubair field (B.P.C.) produced 2,238,177 tons in 1952 and 3,077,522 tons in 1953, and together with the new field Rumaila produced 4,584,358 tons in 1954. The Ain Zalah field[47]

[45] Iraq Petroleum Company Ltd., Mosul Petroleum Company Ltd., Basrah Petroleum Company Ltd., *Agreement with the Government of Iraq Made on the Third Day of February, 1952 Together with Law No. 4 of 1952 Ratifying the Agreement* (English and Arabic Texts); *Iraq Oil in 1951*, 15-18. The companies also agreed to pay a lump sum of £5 million in settlement of past disputes. United Nations, Dept. of Economic Affairs, *Summary of Recent Economic Developments in the Middle East 1950-1951* (New York, 1952), 36. Henceforth cited U.N., *Summary 1950-1951*.

[46] U.N., *Summary 1952-53*, 60; U.N., Department of Economic and Social Affairs, *Economic Developments in the Middle East, 1945 to 1954* (New York, 1955), 97, henceforth cited: U.N., *Economic Developments 1945 to 1954*; "Oil and Social Change in the Middle East," *The Economist*, CLXXVI, 3, July 2, 1955.

[47] Ain Zalah, which is in the Mosul area and is operated by the Mosul Petroleum Co., was developed in 1940, but early in 1941, because of the war, operations were suspended; they were resumed in 1952. After the completion of the pipeline from Ain Zalah to K2 station on the Kirkuk-Mediterranean pipeline, oil began to flow. *Iraq Oil in 1952*, 25.

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added pipelines. When the Arabian American Oil Company introduced the fifty-fifty profit basis arrangement in Saudi Arabia, and the agitation for nationalization in Iran was growing in volume, Iraq also obtained a fifty-fifty profit-sharing arrangement.[36]

The Company's Employment Practices

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The question of the employment of Iraqis in the industry was next in importance. Because I.P.C. did not build its refineries in Iraq, as did the A.I.O.C. in Abadan, the number of Iraqis employed in the oil industry was considerably smaller than Iranians in Iran. At the end of 1947 it employed a total of 14,556 workers, of whom 13,900 were Iraqis.[37] The number was not much greater in 1951, and as was inevitable, the higher positions, both technical and administrative, were filled by non-Iraqis.[38]

[36] The basis of calculating the profit, since all the transactions between the partners in the Iraq Petroleum Co. are in crude, became a source of friction. In the 1952 agreement, in which specific provisions were made for calculating the profits, the Company had decided advantages. Late in 1953 Iraq, seconded by Saudi Arabia began to demand changes in the arrangements. *The New York Times*, Sept. 13, 1954. Early in 1955 it was reported from Bagdad that an agreement in principle for a new price-fixing formula had been arrived at, and as a result the Government's oil revenue would increase by one-fifth. *The New York Times*, Jan. 12, 1955. The 1952 agreement provided that the profits be calculated by deducting production costs from the base selling price for crude oil in the Middle East. The companies were permitted to discount this base by about 17 per cent. The new formula would reduce this discount to only 2 per cent. On March 24, 1955 a new arrangement was agreed upon between the Government and the I.P.C. which reduced the brokerage rates from 17 to 2 per cent. This increased the royalty for 1954 by ID 10.5 million, making a total of ID 58 million for the year. *Mid-East Mirror*, 14, March 26, 1955.

[37] International Labor Organization, *Manpower Problems, Vocational Training, and Employment Service* (Geneva, 1951). Regional Conference for the Near and Middle East, Teheran, 1951, 10. The total number employed at the end of Dec. 1948 is given by the UN as 14,241, of whom 13,465 were Iraqis. U. N., *Review 1949-50*, 63.

[38] The breakdown of locally engaged personnel at the end of 1951 is given as follows:

Company	*Clerical and Supervisory*	*Other*	*Total*
I.P.C.	1,134	5,961	7,095
B.P.C.	438	2,259	2,697
M.P.C.	93	545	638
Total	1,665	8,765	10,430

Iraq Oil in 1951, 11. The figures given in *Iraq Oil in 1952*, 29, apparently include personnel employed by the I.P.C. also in Syria, Lebanon, Jordan and Israel, as well as non-local personnel.

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In 1951 the I.P.C. established at Kirkuk an industrial training center with a five-year course for clerical and technical personnel for the Company's needs. The training is closely integrated with practical work in the Company's plants. During the course the apprentices are paid a monthly wage which increases progressively from ID 10 on entry to ID 21 during the last year.[39] In the same year the Company undertook to send fifty students to England to continue their studies both in the technical and scientific fields. The maximum number of such students in Britain at any given time was to be two hundred and fifty. Before leaving, the students were obliged to pledge themselves to work either for the Iraq Government or for the Company for twice the length of time they spent on their studies abroad.[40] This training, together with the development of the Government refineries, will introduce more Iraqis into the higher positions of the oil industry.

While there can be no doubt that a number of company-trained employees have served in other parts of the industrial sector of Iraq's economy, the overall effect could not possibly be too great. The physical conditions of the industry and the general background history of the concession—so different from those in Iran—made Company employment a much greater attraction and carried with it greater permanency, so that local industry could not bid for the trainees. Nevertheless, the Company's great need was and still is for skilled, trained technical and administrative workers, which its own efforts failed to supply.[41]

Although not to the same extent as the Anglo-Iranian Oil Company, I.P.C. has provided its employees with medical services and social amenities. In 1952 the Company had three modern hospitals, eleven clinics and twenty-three dispensaries in the Kirkuk area; one hospital, two clinics and three dispensaries in the Basrah area.[42]

[39] "Training Schemes That Will Benefit Iraqis," *Al Asr*, Sept. 18, 25, Oct. 2, 1954.

[40] *Iraq Oil in 1953*, 5. The Company also made provision for a limited period—six to twelve months—of special training in Britain for Company employees sent by their respective Company departments. In 1953 twelve trainees were in Britain for this training. *Ibid.*

[41] For a description of the benefits and advantages which the Company employees enjoy, as compared with other industrial workers, see Great Britain, *Iraq Review*, 29-30.

[42] *Iraq Oil in 1952*, 18, 24.